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RUEHNE/AMEMBASSY NEW DELHI 0769
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C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 000873

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DEPT FOR SCA/PB AND SCA/FO

E.O. 12958: DECL: 08/13/2018
TAGS: <u>PGOV</u> <u>PREL</u> <u>PINR</u> <u>PINS</u> <u>KDEM</u> <u>BG</u>

SUBJECT: BANGLADESH'S CARETAKER GOVERNMENT'S POLITICAL

ENDGAME--CAUSE FOR OPTIMISM

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b) and (d)

Summary

<u>¶</u>1. (C) Bangladesh's Caretaker Government (CTG) remains committed to holding parliamentary elections in December 2008 and wants to ensure that all parties take part in the political process, according to one of the principal architects of the January 11, 2007 State of Emergency. Towards this end, the CTG is in the final stages of negotiating with former BNP Prime Minister Khaleda Zia regarding the terms of her release from prison, as well as the future status of her elder son Tarique Rahman. The CTG is considering holding a "summit" meeting between Khaleda Zia, former Awami League Prime Minister Sheikh Hasina, Chief Adviser Dr. Fakhruddin Ahmed, and Army Chief General Moeen Uddin Ahmed in late-September. In preparation for this meeting, the CTG and the former Prime Ministers have been discussing the outlines of a political settlement, including the future roles of the two ladies and the continuity of reforms begun by the CTG. With four months to go until elections, the CTG's plan appears to have a reasonable prospect of succeeding.

Need for All Parties to Participate in Elections

(C) During a breakfast meeting on August 13, Brigadier General A.T.M. Amin, the Directorate General of Forces Intelligence's Counterterrorism Chief and one of the architects of the January 11, 2007 State of Emergency, outlined for the Ambassador the Caretaker Government's (CTG) political strategy for the transition back to elected government by the end of 2008. Amin emphasized that the CTG's primary goal was to ensure that all parties participated in the elections and that a peaceful transition would ensue. Of greatest concern to the CTG had been the possibility that the Bangladesh Nationalist Party would boycott the elections and take to the streets. A decision by the BNP to abstain from the political process would also likely leave its alliance partner, the Jamaat Islami Bangladesh, on the sidelines. This could effectively disenfranchise a significant percentage of voters and lead to instability after elections, Amin stressed.

Negotiations for Khaleda Zia's Release and Future of BNP

13. (C) In order to convince the BNP to participate in the political process, the CTG had been negotiating with former BNP Prime Minister Khaleda Zia regarding her release from prison, Amin continued. The CTG hopes that Zia, once out of

prison, would be able to reunite and revitalize her fractured party and prepare it to contest elections. While the Awami League remained confident it would win a substantial majority in the December elections, the CTG thought a revitalized BNP and its alliance partners would be able to mount a credible challenge. The CTG's internal estimates showed the Awami League winning a plurality, but not being able to form a government on its own.

What about Tarique Rahman?

14. (C) A sticking point in the negotiations with Begum Zia had been her insistence that her imprisoned elder son Tarique Rahman be allowed to travel abroad for medical treatment, Amin acknowledged. Zia's younger son, Arafat Rahman, had left for Thailand in mid-July. Releasing Tarique was a bitter pill for the CTG to swallow, however, given his well-deserved reputation for corruption and ruthlessness. Tarique's checkered past had also complicated efforts to find a country willing to accept him for medical treatment. The Ambassador explained to Amin the USG's anti-kleptocracy policy and emphasized that the USG would need to make a decision on eligibility if Tarique indicated he wanted to travel to the United States. The CTG also remained concerned that Tarique might try to reenter politics in the future, Amin replied. Meanwhile, the legal cases against Tarique continued, and some former associates (including former Home Affairs Minister Babar) might finally be ready to testify against him.

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Big Four Meeting in September

15. (C) Amin said that Former Awami League Prime Minister Sheikh Hasina might return to Bangladesh from the United States in mid-September, although possible surgery could delay her travel. In order to reach a consensus on some of the remaining stumbling blocks to elections, including the lifting of the State of Emergency and the holding of Upazilla elections, the CTG was considering a meeting between Khaleda Zia, Sheikh Hasina, Army Chief General Moeen Uddin Ahmed, and Chief Adviser Dr. Fakhruddin Ahmed. Among the topics to be discussed would be Moeen's role following elections. Amin said that Moeen was not interested in becoming President, but he left the door open for the Army Chief to seek another extension in his current position. Amin dismissed speculation that former President, and Jatiya Party leader Hossain Mohammed Ershad, could return to his former position.

Outlines of a Settlement

16. (C) In its discussions with Hasina and Khaleda the CTG had outlined the elements of a political settlement, Amin noted. These included defining the role of the two former Prime Ministers after elections. The CTG had also insisted that the political parties ratify the actions it has taken since January 2007. Other issues on the table included constitutional reforms, including redefining the powers of the Presidency; formation of a National Security Council; possible formation of a &consensus government after elections; and the continuation of the anti-corruption campaign. In private, both former Prime Ministers had agreed in principal on a number of these issues. Also, both appeared committed to reforms within their parties, including restructuring of leadership and disqualification of corrupt individuals.

Comment

 \P 7. (C) The game plan laid out by Brigadier Amin stands a reasonable prospect of success. The plan reflects the clear

realization that the CTG's more ambitious political objectives, particularly the removal of the two former PMs from politics, could not be realized during its 24 month tenure. In the past, the ladies have proven to be difficult negotiating partners. While they appear to be inching towards an agreement, there are still a number of thorny issues to be resolved. There is a real possibility that negotiations with Khaleda Zia will not be concluded much before the anticipated early-November announcement of a date for Parliamentary elections.

Moriarty